



April 10, 2020

The Honorable Sonny Perdue
Secretary of Agriculture
U.S. Department of Agriculture
1400 Independence Avenue SW.
Washington, DC 202

Dear Secretary Perdue,

The Idaho Cattle Association is the organization representing the state of Idaho's cattle industry. We work diligently to preserve, promote, and protect the industry within our state and the 2.2 million head of cattle that are encompassed within our borders.

Following the fire at a meat processing facility last fall, the USDA opened an investigation in relation to the beef cattle market. It is our understanding the USDA has agreed to incorporate the current market scenario we are experiencing, following the onset of COVID-19, into this open investigation. Although many states and organizations have written letters asking for this investigation, we are taking it a step further and including specific questions we would like addressed and answered in the inquiry. These questions have been posed by our membership in Idaho.

We look forward to working with your agency and any other appropriate agencies to ensure the cattle industry is indeed a free, competitive market that benefits all segments of our industry.

- What is the daily slaughter per parent entity as a percent of the daily U.S. total?
- Does an oligopoly exist within the U.S. beef industry?
- What regulations and policies have affected competitive pricing in the beef industry? (Are there regulations/policies that hinder the expansion of the U.S. packing industry?)
- What factors have led to the decoupling of the commodity futures market and the cash market in the cattle industry today?
- Who is profiting from the current volatility in the futures market?
- What are the leading factors influencing the separation of the producer pricing and the retail pricing in the current market?
- What is the maximum market share an entity can hold in the beef supply chain to promote and ensure competitive pricing?
- Does the United States produce enough beef to deliver on the futures contracts traded on a deliverable contract period?





- Does the current market scenario allow for true price discovery in the U.S. beef cattle industry?

We look forward to the completion of your investigation and the answers to these questions as we work to continue the success of the greatest protein source in the safest food supply in the world today.

The cattle industry is the backbone of our state and our nation. Ensuring a fair and competitive market for our producers and consumers is a top priority in our effort to support the American rancher as we move forward.

Respectfully,

Dawn Anderson
ICA President

CC: USDA Under Secretary of Marketing and Regulatory Programs, Greg Ibach
Sen. James Risch
Sen. Mike Crapo
Rep. Russ Fulcher
Rep. Mike Simpson
Idaho Gov. Brad Little
NCBA Executive, Colin Woodall

